



April 9, 2019

New NCST President, Art as a Tool to Fight Blight, Policy Shorts, and more!

National Community Stabilization Trust Names Julia Gordon President



by Lot Diaz, UNIDOS

The NCST Board of Directors has appointed Julia Gordon as president effective May 1, 2019. This appointment follows current president Robert Grossinger's announcement of his retirement.

We are fortunate to have someone of Julia's caliber and experience step up to lead NCST. We are at a critical moment for the organization, and we have confidence in her vision for stabilizing communities, preventing neighborhood blight, and helping families achieve homeownership. Furthermore, as NCST's executive vice president for the past three and a half years, Julia has an unparalleled understanding of our organization, its programs, and the markets it serves.

For those who may not have had the chance yet to get to know Julia, I'd like to share a bit about her background. Before coming to NCST, Julia served as the senior director of housing and consumer finance at the Center for American Progress, where she was a leading voice on housing finance reform. She previously worked as the single-family policy manager at the Federal Housing Finance Agency, senior policy counsel at the Center for Responsible Lending, senior attorney at the Center for Law and Social Policy, and litigation associate at the law firm of WilmerHale after receiving a J.D. from Harvard Law School and a B.A. from Harvard College. Julia has authored numerous papers on housing related issues and has extensive experience testifying before Congress; her work has resulted in numerous NCST public policy accomplishments and will continue to elevate the organization's policy presence in the years ahead.

The Board and I know that Julia has long been a national leader in homeownership, foreclosure prevention, and distressed asset policies. Her work ensures that underserved people and communities have a voice at the table where important decisions are made. She maintains excellent relationships with diverse constituencies ranging from mortgage lenders, financial institutions, and government regulators to

housing groups, consumer advocates and community activists, and she brings a proven track record of success. We are confident and grateful that under her leadership, NCST will continue to make a significant difference for families and communities.

Lot Diaz serves as NCST Board Chair.

Buyer Spotlight:

Slavic Village Changes Perceptions of Neighborhood Blight with Works of Art



by Chris Garland, NCST

In partnering with some of the most innovative practitioners in the community development field over the past 10 years, NCST observes some truly creative approaches to neighborhood stabilization and vacant property reuse. One of the most creative by far is Slavic Village Development's (SVDCD) [Rooms To Let: CLE](#) immersive art installations which will be taking place this year on May 18th and 19th in Cleveland's eastside, Slavic Village neighborhood.

Now in its sixth year, Rooms To Let: CLE illuminates one of Cleveland's most diverse and authentic neighborhoods, as it strives to strengthen a community in the midst of recovery. This unique partnership with the Cuyahoga County Land Bank (CCLRC), showcases the works of over 60 local artists and makers who create one-of-a-kind works in three vacant homes which are slated for demolition. Several months in advance, SVD begins by working closely with CCLRC to map and study properties that are already owned by the land bank and others that are on a trajectory for foreclosure. Their aim is to identify targets that are in close proximity for easy afternoon walks. Once the properties are identified, SVD makes provisions to secure the structures, ensuring that porches are sturdy and that banisters and handrails are stable.

Artists are selected by curators from the [Visit Arts Collective](#), [Acerbic](#), and the [Cleveland Print Room](#) to convert each house room by room. Typically, each home features between 20 to 25 artists, each of which are assigned a room (or space such as a hallway or stairwell) to produce their work. The selected artists begin preparing their assigned spaces about two weeks prior to the weekend-long event. Occasionally, inspiration is even drawn from some of the elements in the vacant space.

In addition to the three houses located on East 53rd and East 54th (two which have been acquired by CCLRC and one owned by SVDCD), guests can expect to explore a vacant lot installation, enjoy live performance art and get crafty with hands-on activities. And while the structures are ultimately demolished about two weeks following the event, the transformed vacant lot, now known as the Gertrude Arts Garden, will remain as a year-round neighborhood amenity maintained by SVDCD with additional landscaping and a walking path to be added later this year. In fact, preceding the opening weekend, this year's edition will feature a community art project where the Visit Arts Collective will be working with neighborhood students to create an outdoor installation at the Gertrude Arts Garden. Artists, community members, and volunteers will also come together before the event for a Rooms To

Let: CLE street clean-up to improve the aesthetics of the neighborhood.

Rooms To Let: CLE also serves as an opportunity to expose visitors to other exciting Slavic Village projects and local businesses. An event headquarters will be located on Fleet Avenue, the neighborhood's main street, hosted by two of Slavic Village's newest businesses, [Saucission](#) and [Indoor Gardens](#). Rooms to Let: CLE attracts 3,000 attendees annually and offers a unique opportunity for the participating artists and curators to interact with the community, bringing beauty and dialogue around the effects of the foreclosure crisis and how a neighborhood can positively evolve in the aftermath.

Many thanks to SV CDC Community Engagement Coordinator Joe Linksy for his assistance in preparing this feature story.

Chris Garland serves as Community Development Manager, Michigan & Ohio, for NCST.

Photos from Room to Let: CLE 2018



Policy Corner:

A Few Policy Shorts from a Busy News Month



by Theo Chang, NCST

It has been a busy month for housing policy news! Rather than limit ourselves to just one topic, we would like to share some brief thoughts on some of the updates that most impact our work and the work of our Community Buyers:

- **Opportunity for Public Comment: Federal Home Loan Bank members to be reviewed on community support performance**

The Federal Housing Finance Agency [announced](#) that it will review all applicable Federal Home Loan Bank members for two statutory factors: CRA performance and record of lending to first-time homebuyers. The general public is invited to provide

comments on individual members' community support performance [via their website](#) by April 29, 2019. This is a great opportunity for Community Buyers to positively acknowledge a partner financial institution or provide constructive feedback on performance. The names of applicable members currently subject to Community Support review can be found on the public websites for the individual Banks:

- Federal Home Loan Bank of Boston--District 1 (Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont):
http://www.fhlbboston.com/communitydevelopment/programs/support_statements.jsp
- Federal Home Loan Bank of New York--District 2 (New Jersey, New York, Puerto Rico):
<http://www.fhlbny.com>
- Federal Home Loan Bank of Pittsburgh--District 3 (Delaware, Pennsylvania, West Virginia):
<https://www.fhlb-pgh.com/Files/Resources/CSS.pdf>
- Federal Home Loan Bank of Atlanta--District 4 (Alabama, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia):
<https://corp.fhlbatl.com/community-support-program/>
- Federal Home Loan Bank of Cincinnati--District 5 (Kentucky, Ohio, Tennessee):
<https://www.fhlbcin.com>
- Federal Home Loan Bank of Indianapolis--District 6 (Indiana, Michigan):
<http://www.fhlbi.com>
- Federal Home Loan Bank of Chicago--District 7 (Illinois, Wisconsin):
<https://www.fhlbc.com/community-investment/community-support-statements>
- Federal Home Loan Bank of Des Moines--District 8 (Alaska, Guam, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming):
<https://www.fhlbdm.com>
- Federal Home Loan Bank of Dallas--District 9 (Arkansas, Louisiana, Mississippi, New Mexico, Texas):
<https://www.fhlb.com/membership/Pages/Community-Support-Standards.aspx>
- Federal Home Loan Bank of Topeka--District 10 (Colorado, Kansas, Nebraska, Oklahoma):
<https://www.fhlbtopeka.com/community-programs-community-support-statements>
- Federal Home Loan Bank of San Francisco--District 11 (Arizona, California, Nevada):
<http://www.fhlbsf.com/community/grant/community-support-review.aspx>

- **Federal Housing Administration (FHA) tightens rules on higher-risk mortgages**
FHA unexpectedly [announced](#) that it is reinstating manual underwriting requirements to more closely examine mortgage applications from those with higher debt and weaker credit scores – every application that is flagged as higher risk. These requirements were actually removed in 2016 to facilitate the purchase of more homes. This is [estimated](#) to affect 40-50,000 borrowers each year. Since a significant percentage of FHA mortgages are issued to first-time homebuyers and low-to-moderate income buyers, the rule change is likely to [disproportionately affect communities](#) of color and millennials by putting them even farther behind on the path to homeownership.

- **Senator Warren re-introduces broad housing bill**
Senator Warren (D-MA) recently [updated and re-introduced](#) the [American Housing and Economic Mobility Act](#), the most comprehensive housing legislation proposed in many years. This bill would direct hundreds of billions of dollars into affordable rental housing for low-income families, the shortage of which is currently at crisis

proportions. More specific to NCST's programs, the bill includes numerous provisions that support both homeownership and distressed housing markets. These include: a massive down payment assistance program for those living in formerly redlined communities; \$25 billion in funding for the Capital Magnet Program for CDFIs; programs to support new construction and single family rehab/repair both for vacant and owner occupied homes; a program to help owners in a negative equity position; new rules for bulk sales of nonperforming loans that would support positive outcomes in communities; a much-needed update of the Community Reinvestment Act; and more. [NCST supports this legislation and signed on to a support letter with fellow civil rights groups.](#)

- **Lack of clarity from the Department of Housing and Urban Development (HUD) affects mortgages for individuals with Deferred Action for Childhood Arrival (DACA) status**

Confusion continues to swirl around whether HUD and FHA are revoking FHA mortgage eligibility for applicants with DACA status. While some lenders [reported](#) hearing from FHA and HUD that DACA recipients were no longer eligible for FHA mortgages, the agencies have unofficially said that they have not made that decision. This is now leading to a [contradictory array of notices](#) from state housing finance agencies and lenders, many of which are stating that DACA recipients are no longer eligible and citing Administration policy. Fortunately, [Fannie Mae](#) has just stepped forward to [clarify](#) the criteria for its mortgage purchases and that DACA mortgages are eligible to be purchased. HUD and FHA need to do the same.

- **Supreme Court rules on debtor protections for underwater borrowers in non-judicial states**

The Supreme Court issued an [opinion](#) on the [Obdusky v. McCarthy & Holthus LLP](#) foreclosure case, holding that underwater borrowers in the [33 non-judicial foreclosure states](#) are not entitled to the same debtor protection from predatory practices that individuals who are behind on other kinds of payments would have under the 1977 Fair Debt Collection Practices Act. The Court [concluded](#) that the entities that handled these foreclosure proceedings were not primarily "debt collectors" under the law's definition because they took limited action in this case. While a number of news outlets are reporting that this will have a widespread impact on foreclosure lawsuits, the reality is that the exact impact is unclear as this was a narrow ruling focused on the behavior of the entities handling the foreclosure proceedings. A concurring opinion by Justice Sotomayor also opened the door to the possibility of reconsideration if another case with different circumstances were to be brought before the Court.

- **Renewed federal interest in reforming Fannie Mae and Freddie Mac**

Reforming Fannie Mae and Freddie Mac (also known along with the Federal Home Loan Bank System as Government Sponsored Enterprises, or GSEs) has been a hot topic of conversation since they went into conservatorship in 2008. While Congress has not enacted any GSE reform legislation for the past decade, it showed renewed interest recently with a [two-day](#) Senate Banking, Housing, and Urban Affairs Committee [hearing](#) on [Senator Crapo's](#) (R-ID) reform [outline](#), which includes changes to current affordable housing goals, Duty-to-Serve requirements, the Housing Trust Fund, Capital Magnet Fund, and Market Access Fund. Shortly after Day 2 of the hearing, the White House released a [memorandum](#) directing the Secretary of the Treasury to develop a reform plan. While NCST and our Community Buyers typically interface with the GSEs in terms of their REO inventory, they play a significant and broader role in the housing market and it will be important to keep an eye on what happens with these reform efforts.

Industry News

- Elizabeth Warren Wants to Break Wall Street's Stranglehold on the Rental Housing Market

[Julia Gordon quoted in this article]

<https://psmag.com/economics/elizabeth-warren-wants-to-break-wall-streets-stranglehold-on-the-rental-housing-market>

- Single Family Subsidies are Needed Outside Hot Markets

<https://shelterforce.org/2019/02/19/subsidies-are-the-missing-piece-of-the-puzzle/>

- Sale Prices Surge in Neighborhoods with New Tax Break

<https://www.zillow.com/research/prices-surge-opportunity-zones-23393/>

- Facebook Changes its Ad Tech to Stop Discrimination

<https://www.wired.com/story/facebook-advertising-discrimination-settlement/>

- HUD Charges Facebook with Housing Discrimination in Ads

<https://www.cnn.com/2019/03/28/tech/facebook-hud-ad-discrimination/index.html>

- Fannie Mae and Freddie Mac are Getting a New Overseer

https://www.bloomberg.com/news/articles/2019-04-04/fannie-freddie-getting-new-overseer-as-senators-approve-calabria?utm_source=google&utm_medium=bd&cmpid=google

- UN Accuses Blackstone Group of Contributing to Global Housing Crisis

<https://www.theguardian.com/us-news/2019/mar/26/blackstone-group-accused-global-housing-crisis-un>

- How Google's Bad Data Wiped a Neighborhood off a Map

<https://onezero.medium.com/how-googles-bad-data-wiped-a-neighborhood-off-the-map-80c4c13f1c2b>

Industry Conferences

NCST team members attend and serve as panelists for selected industry conferences and events. We enjoy the opportunity to see and meet our partners, as well as share our industry knowledge.

April:

- **8-10:** National Association of Hispanic Real Estate Professionals (NAHREP) Housing Policy & Hispanic Lending Conference, Washington, DC. Julia Gordon will be a panelist.
- **15-17:** NACEDA People & Places 2019, Arlington, VA. Julia Gordon will be a panelist, and Kathy Carter will be attending.

May:

- **April 29-May 1:** Building Michigan Communities Conference, Lansing, MI. Chris Garland will be a panelist.

June:

- **20-21:** Federal Reserve Bank of Cleveland Policy Summit, Cincinnati, OH. Chris Garland will be attending.



Community Buyers - Share Your Property Success Stories

Buyers - we'd like to share your accomplishments - please do brag a little! In REOTrack, when you submit your final reporting, click on the "Good Story Flag" box and we'll take it from there.

Staff, Phone or Email Changes?



NCST Community Buyers: Had a recent staff change? Or updated your email address or phone number? Please alert our Buyer Team to any changes so they can update your records. To participate in our purchasing programs, it's very important we have the correct contact information for you and your team.

Please email updates to: Buyer@StabilizationTrust.org.

NCST Email Addresses

Sending an email to an NCST team member? Please include the team email box. This ensures a timely response to your email in case your primary contact is out of the office.

- Desk@StabilizationTrust.org - property transaction questions and assistance
- ReoTrack@StabilizationTrust.org - post-closing questions and assistance
- Buyer@StabilizationTrust.org - questions about program guidelines, target areas, and additional programs
- NewBuyer@StabilizationTrust.org - for more information about becoming an NCST buyer



About NCST: The National Community Stabilization Trust (NCST) is a non-profit organization that works to restore vacant and abandoned properties to productive use and protect neighborhoods from blight. Our programs facilitate the rehabilitation of vacant but structurally sound homes, enable safe, targeted demolition when necessary, and support creative and productive re-use of vacant land.

[View as Webpage](#)